

VZCZCXRO6000  
RR RUEHBC RUEHDE RUEHIHL RUEHKUK  
DE RUEHGB #1293 1051105  
ZNY CCCCC ZZH  
R 151105Z APR 07  
FM AMEMBASSY BAGHDAD  
TO RUEHC/SECSTATE WASHDC 0732  
INFO RUCNRAQ/IRAQ COLLECTIVE  
RUEATRS/DEPT OF TREASURY WASHDC

C O N F I D E N T I A L BAGHDAD 001293

SIPDIS

SIPDIS

E.O. 12958: DECL: 04/14/2017  
TAGS: [ECON](#) [EFIN](#) [IZ](#)  
SUBJECT: PRESIDENTIAL MONEY TRANSFERS IN IRAQ

Classified By: Economic Minister-Counselor Daniel Weygandt for reasons  
1.4 (b) and (d).

¶1. (C) One of Iraqi President Jalal Talabani's staff members described how the president transfers money in and out of Iraq in a meeting with Emboffs on April 11. He said that international money transfers of \$500,000 dollars and up are usually conducted via informal networks; should the President need to buy plane tickets for a delegation, for instance, his staff might call up a Kurdish businessmen in Dubai, discuss how much is needed, and then 'swap' money, where the Kurdish businessmen provides the money in Dubai and is paid it back in Erbil. Sometimes, the staffer noted, he was unable to find someone in Dubai who needed the amount in Erbil, and then he resorted to using trusted operators of the 'hawala' system, which requires the name and passport information of the sender and receiver, and uses a code number to complete the transaction. "There's a fee with the 'hawala' system," he said "so we prefer to work directly with businessmen we know."

¶2. (C) Talabani's aide also wanted to set the record straight about the large envelopes of foreign cash that Talabani distributes to his staff when traveling abroad (referenced in the New Yorker in February). He said they are not in fact simply large gifts or allowances, but are for all expenses during the trip including lodging and meals. This is necessary, he said, because of the cash)based society in Iraq and the fact that most of his staff do not have credit cards or bank accounts.  
CROCKER